

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA) Criminal No.
)
v.) Violations:
)
ADAM HADDAD,) <u>Counts One - Three</u> : Aiding Preparation
) of False Tax Returns
Defendant) (26 U.S.C. § 7206(2))
)

INFORMATION

At all times relevant to this Information:

1. The defendant, ADAM HADDAD (“HADDAD”), was a resident of Shrewsbury, Massachusetts.
2. HADDAD was the owner of Accurate Collision Inc. (“Accurate”), a subchapter S Corporation that operates an auto-body repair business in Massachusetts.

Federal Employment Taxes

3. Federal law requires employers to collect and pay over employment taxes. Federal employment taxes consist of two parts: (a) income taxes withheld from employee wages and (b) Federal Insurance Contributions Act (“FICA”) taxes. FICA taxes are made up of Social Security taxes and Medicare taxes. For any given employee, one-half of the applicable FICA taxes is withheld from the employee’s wages and the other half is paid by the employer. Federal tax law requires employers to account for, collect and pay over to the Internal Revenue Service (“IRS”) both the withheld taxes (the employee’s income taxes and one-half of the FICA taxes) and the taxes owed by the employer itself (the employer portion of the FICA taxes).

4. Employers are required to file a Form 941, Employer's Quarterly Federal Tax Return, which is used to report all wages paid to employees and all federal employment taxes on those wages. Most employers are required to file Form 941 four times per year, for each quarter ending March 31; June 30; September 30, and December 31.

5. For the tax quarter that ended on March 31, 2015, and for each of the following quarters through at least the one that ended on June 30, 2017, HADDAD caused Accurate to pay a large portion of his employees' wages "under the table," by paying the employees in cash withdrawn from Accurate's bank accounts.

6. For each of those same quarters, HADDAD caused Accurate to file IRS Forms 941 that he knew were false in that they underreported the employees' wages and the employment taxes due.

7. As a result of this conduct, HADDAD caused Accurate to underreport payroll and to underpay employment taxes owed as follows:

Tax Year	Unreported Payroll	FICA & Medicare Not Paid	Withholding Not Paid	Total Employment Taxes Not Paid
2015	\$414,996	\$63,494	\$45,650	\$109,144
2016	\$538,001	\$82,314	\$59,180	\$141,494
2017	\$158,148	\$24,197	\$17,396	\$41,593
Total				\$292,231

COUNT ONE

Aiding Preparation of False Tax Returns
(26 U.S.C. § 7206(2))

The United States Attorney charges:

8. The United States Attorney re-alleges and incorporates by reference paragraphs 1-7 of this Information.

9. On or about July 31, 2015, in the District of Massachusetts and elsewhere, the defendant,

ADAM HADDAD,

did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation under, and in connection with any matter arising under the internal revenue laws, of a U.S. Income Tax Return for a Corporation, Form 941, for Accurate Collision, Inc. for the quarter ending June 30, 2015. That return was false and fraudulent as to a material matter in that it represented that the gross payroll was \$39,000 whereas, as the defendant then and there knew, the payroll amount was at least \$143,211 for that quarter.

All in violation of Title 26, United States Code, Section 7206(2).

COUNT TWO

Aiding Preparation of False Tax Returns
(26 U.S.C. § 7206(2))

The United States Attorney further charges:

10. The United States Attorney re-alleges and incorporates by reference paragraphs 1-7 of this Information.

11. On or about July 31, 2016, in the District of Massachusetts and elsewhere, the defendant,

ADAM HADDAD,

did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation under, and in connection with any matter arising under the internal revenue laws, of a U.S. Income Tax Return for a Corporation, Form 941, for Accurate Collision, Inc. for the quarter ending June 30, 2016. That return was false and fraudulent as to a material matter in that it represented that the gross payroll was \$36,800 whereas, as the defendant then and there knew, the payroll amount was at least \$198,079 for that quarter.

All in violation of Title 26, United States Code, Section 7206(2).

COUNT THREE
Aiding Preparation of False Tax Returns
(26 U.S.C. § 7206(2))

The United States Attorney further charges:

12. The United States Attorney re-alleges and incorporates by reference paragraphs 1-7 of this Information.

13. On or about July 31, 2017, in the District of Massachusetts and elsewhere, the defendant,

ADAM HADDAD,

did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation under, and in connection with any matter arising under the internal revenue laws, of a U.S. Income Tax Return for a Corporation, Form 941, for Accurate Collision, Inc. for the quarter ending June 30, 2017. That return was false and fraudulent as to a material matter, in that it represented that the gross payroll was \$80,600 whereas, as the defendant then and there knew, the payroll amount was at least \$154,768 for that quarter.

All in violation of Title 26, United States Code, Section 7206(2).

ANDREW E. LELLING
UNITED STATES ATTORNEY

By: /s/ Sara Miron Bloom
SARA MIRON BLOOM
Assistant United States Attorney

Date: August 12, 2020